

UNITED NATIONS DEVELOPMENT PROGRAMME



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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF BANGLADESH

Assistance to Bangladesh Small and Cottage Industries Corporation (BGD/79/007)

Report of the Administrator*

Date of present approval:	July 1979
Starting date of project activities:	July 1979
Planned completion date:	December 1982
To be executed by:	International Labour Organisation (ILO)
Government implementing agency:	Bangladesh Small and Cottage Industries Corporation
Estimated cost of assistance planned under present approval:	\$800 900
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The role of the cottage industry sector in the development programme of Bangladesh has been widely recognized by the Government. The 19-Point Programme for development, announced by the President of Bangladesh in 1977, and the current Two-Year Plan (1979-1980) give special emphasis to cottage-industry development. High priority is placed on strengthening this sector because of the urgent need to increase income and employment in the rural areas. Most of the cottage industries produce traditional handicrafts, principally handwoven cloth for saris and "lungis", but pottery and bell-metal are also produced. These industries have not been performing well because they are faced by a number of constraints, such as availability of raw materials and credit, outdated skills and tools, lack of access to new markets and limited information on possible new products.

2. A survey of cottage industries is at present being carried out in 10 thanas by the Bangladesh Institute of Development Studies (BIDS) on behalf of the Bangladesh Small and Cottage Industries Corporation (BSCIC) using funds provided by the United States Agency for

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of \$250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

International Development (USAID). The proposed UNDP project will cover some of the surveyed areas, namely in two districts. Because of the lack of information and experience concerning assisting cottage industries and because of the need to economically utilize the domestic and external resources available in this field, this project will focus on limited geographical areas and on a limited number of products which are deemed to have high potential for income generation and employment, namely, textiles and garment-making, cane and bamboo products, metal-working, ceramics and leather products.

3. In 1977, a UNDP/ILO Preparatory Assistance project (BGD/74/026) was carried out leading to the formulation of the present project.

II. Objectives and activities

4. The primary aim of the project is to establish an institutional base for the development of the cottage industry sector through the creation of a trained cadre of staff for BSCIC who will improve the quality of cottage industry products. To this end the project staff will be engaged in: (a) design and product development; (b) extension services; (c) subject matter training; (d) survey work; and (e) experimental production activities to design new products in selected items.

III. Inputs

5. UNDP will provide, through the Executing Agency, the services of seven experts and consultants in specialized fields. UNDP will also finance a subcontract, fellowships and study tours and provide various training and other equipment.

6. The Government will provide qualified professional counterpart staff and technical and administrative support personnel. The Government will also provide the land, buildings, several machines and equipment for the project.

IV. Financial data

7. The expenditure components of the planned assistance are as follows:

	\$
Personnel	625 900
Subcontract	40 000
Training	40 000
Equipment	80 000
Miscellaneous	15 000
	<u>800 900</u>

8. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is \$450,000.
